

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 304

September 9, 2014

10:00 A.M.

The Three Hundred Fourth meeting of the State Insurance and Risk Management Board was held on Tuesday, September 9, 2014 at the Board of Regents for Higher Education, 39 Woodland Street, Hartford, CT.

Acting Chairperson Savitsky presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Linda R. Savitsky, Acting Chairperson

Mr. Seth T. Mahler, Vice Chairperson

Mr. George A. Dagon, Jr.

Ms. Susan M. Donatelli

Mr. Stephen Fontana

Mr. Daniel J. Friedman

Ms. Marjorie F.B. Lemmon, via phone

Mr. Michael T. McCormack

Ms. Martha Carlson, Deputy Comptroller

Mr. Robert J. Broomall was unable to attend.

Mr. Wallace J. Irish was unable to attend.

Mr. Patrick Mahon was unable to attend.

Department of Administrative Services/Insurance and Risk Management Board

Ms. Daria J. Cirish, Risk Manager

Ms. Eileen G. McNeil

Office of the Agent of Record

Mr. John Byrnes, President

Mr. Fred Tanguay, Senior Vice President

*Approved
December 09, 2014
Linda R. Savitsky*

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1. Approval of the Minutes of Meeting No. 303 held on June 10, 2014 (Exhibit 1)

A motion was made by Ms. Carlson, seconded by Mr. Mahler and unanimously

VOTED: To approve the minutes of Meeting No. 303 held on June 10, 2014.

2. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 2)

Mr. Tanguay reviewed the appropriations for the new fiscal year. He reminded the members that last fiscal year there were large unexpected Fleet claims settlements, resulting in a deficiency appropriation.

A motion was made by Mr. Fontana, seconded by Ms. Donatelli and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting for F.Y. 2014 totaling \$3,228,110.54.

A motion was made by Mr. Fontana, seconded by Ms. Donatelli and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting for F.Y. 2014 totaling \$1,532,633.16.

3. Votes

A) UConn – Basic Athletic Injury (Confirming) (Exhibit 3A)

Mr. Tanguay explained that the NCAA provides a catastrophic policy with a \$90,000 deductible. This coverage is primary coverage purchased to cover the \$90,000 deductible and is reimbursed by UConn.

Mr. Tanguay stated that the quote is based on the loss experience and the number of student/athletes and the premium increased this year. UConn advised to bind the \$2,000 Deductible Option.

A motion was made by Mr. McCormack, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 3A for a total premium of \$195,000.

3. B) CT Transit Property Coverage on Rolling Stock (Exhibit 3B)

This policy provides physical damage coverage on the CT Transit buses while they are parked in garages and parking lots. Mr. Tanguay advised that D.O.T. is starting to replace old buses with new ones and some of the new buses are valued at \$700,000 each. The proposed rate remains the same and the values have increased. He said that the number and value of the buses is audited at the end of the year.

After some discussion, a motion was made by Mr. Fontana, seconded by Mr. Mahler and unanimously

VOTED: To place coverage as outlined in Exhibit 3B for a total premium of \$93,402.

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3. C) Master Student Malpractice (Exhibit 3C)

Mr. Tanguay advised that this is a medical malpractice policy purchased to covered allied health students and professors while they are doing off-site clinical work. This premium is reimbursed by the schools. Mr. Tanguay stated that there has been good loss experience on this policy.

Mr. Tanguay noted C.N.A. increased the per occurrence sublimit and Fireman's Fund slightly increased the aggregate. He recommended a higher per occurrence sublimit and C.N.A. gives premium credit the longer you continue with them.

A motion was made by Mahler, seconded by Mr. McCormack and unanimously

VOTED: To place coverage as outlined in Exhibit 3C for a total premium of \$100,094.

3. D) DOT – Metro-North – XS Rail Liability (Exhibit 3D)

Mr. Tanguay explained that this policy provides excess rail liability and advised that Metro-North/M.T.A. is the largest commuter rail line in the country. DOT owns the cars, tracks and stations and contracts out the management and operation of the rail line to Metro-North MTA. There has not been good safety experience during the past year, therefore the premium has increased. Mr. Tanguay and Ms. Cirish will meet with D.O.T. about increasing the Board's budget to cover the increase in premium.

After some discussion, it was moved by Mr. Fontana, seconded by Ms. Donatelli and unanimously

VOTED: To place coverage as outlined in Exhibit 3D for a total premium of \$1,678,750.

3. E) State Library Museum – Fine Arts Coverage (Exhibit 3E)

Mr. Tanguay advised that this policy covers approximately \$267 million of fine arts and artifacts at the museum, library and warehouse and this coverage is in excess of the \$25 million limits provided by the F.M. Global property policy. This is a supplemental policy purchased through Lloyds of London.

A motion was made by Mr. Mahler, seconded by Ms. Carlson and unanimously

VOTED: To place coverage as outlined in Exhibit 3E for a total premium of \$153,431.63.

3. F) Equipment Breakdown Coverage (Exhibit 3F)

Mr. Tanguay explained that the policy covers the boilers and machinery in the State's 3,500 buildings and includes four infra-red surveys. He reviewed the \$100 million limits and various sublimits explaining that proposal is as expiring, even though the values went up.

A motion was made by Mr. Mahler, seconded by Mr. Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 3F for a total premium of \$255,564.

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3. G) Master Property Policy (Exhibit 3G)

Mr. Tanguay stated that the policy covers approximately 3,500 State buildings and contents valued at approximately \$14 billion. The highest concentration of values (\$750 million) is a two block radius around the State Capitol area. F.M. Global has a \$750 million per occurrence sublimit on the policy. Mr. Tanguay explained that excess wind limits were purchased a few years ago on top of F.M. Global's \$250 million wind sublimit.

Mr. Tanguay also reviewed the other endorsements that are purchased in addition to the F.M. Global policy. These endorsements include a Builders' Risk policy and a Builders' Risk Water Infiltration policy for UConn Health Center, as well as a separate excess policy for additional windstorm limits. He noted that values increased by 13%, however the premium remained flat.

Mr. Tanguay also explained that in order to get full flood limits F.M. Global is requesting that D.O.T. develop a Flood Emergency Response Plan (F.E.R.P.) for the New Haven Rail Yard. Mr. Tanguay and Ms. Cirish have worked with F.M. Global to develop a template which will be given to D.O.T. within the next two weeks.

Mr. Tanguay stated that F.M. Global does a tremendous job working on the State account on a daily basis.

After some discussion, it was moved by Mr. Fontana, seconded by Mr. Dagon and unanimously

VOTED: To place coverage as outlined in Exhibit 3G. Property Policy renewed for an annual premium of \$4,588,780; premium for Excess Named Storm Limits \$600,000; premium for BioScience CT Builders Risk Installment \$187,200; premium for BioScience CT Builders Risk Water Infiltration \$50,000.

3. H) Dept. of Emergency Services & Public Protection – Aircraft/Helicopter - Confirming

At the last Board meeting, the Board directed Mr. Tanguay to get quotes for higher limits. An email went out to all members in June asking for a vote on the coverage. This is a vote to confirm the coverage that was placed on July 5, 2014.

A motion was made by Ms. Donatelli, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 3H for a total premium of \$68,380.

3. I) Board of Regents for Higher Ed. – Community Colleges – Accident - Confirming

Mr. Tanguay informed the Board that a new Comptroller was hired at the Board of Regents for Higher Education and approached Ms. Cirish to obtain quotes on an accident/health policy covering the students at the Community Colleges. This is purely accident insurance covering students at school sponsored events and provides \$20,000 limits over and above any other collectible insurance that the student may have. The policy excludes coverage while traveling. After various information was compiled, Mr.

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3. I. Board of Regents for Higher Ed. (Cont.)

Tanguay got quotes and coverage was bound on August 25, 2014 at the direction of the Board of Regents for Higher Education.

A motion was made by Mr. Mahler, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 3I for a total premium of \$36,687.50.

4. Budget Projections (Exhibit 4)

Mr. Tanguay advised that the 2015/16 and 2016/17 budgets were prepared and sent to the D.A.S. Business Office for submission to O.P.M.

5. Any Other Matters to Properly Come Before the Board

There were none.

6. Date and Location of Next Meeting

The next Board meeting is scheduled for Tuesday, December 9, 2014. The meeting will be held at the Board of Regents for Higher Education.

7. Motion to Adjourn

It was moved by Mr. McCormack, seconded by Mr. Fontana and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:20 A.M.